

**SUMMARY ANALYSIS OF AMENDED BILL**

Swanson &

Authors: Donnelly Analyst: Brian Werking Bill Number: AB 764

Related Bills: See Prior Analysis Telephone: 845-5103 Amended Date: May 27, 2011

Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** Child Victims Of Human Trafficking Fund

**SUMMARY**

This bill would allow taxpayers to make voluntary contributions to the Child Victims of Human Trafficking Fund (Fund) on their state personal income tax returns (returns).

**RECOMMENDATION AND SUPPORTING ARGUMENTS**

No position.

**SUMMARY OF AMENDMENTS**

The May 27, 2011, amendments change the name of the Fund from the Victim-Witness Assistance Fund to the Child Victims of Human Trafficking Fund and direct the California Emergency Management Agency to administer the proceeds of the Fund to community-based organizations.

As a result of the amendments, the department’s “Implementation Consideration” provided in the analysis of the bill as introduced February 17, 2011, has been resolved. The “This Bill” discussion has been revised. The remainder of the prior analyses still applies.

**EFFECTIVE/OPERATIVE DATE**

This bill would be effective January 1, 2012, and operative as of that date. If another fund is removed, the Fund could first appear on the 2011 personal income tax return filed on or after January 1, 2012.

**ANALYSIS**

THIS BILL

This bill would establish the Child Victims of Human Trafficking Fund and would allow taxpayers to designate their own funds (not tax liability) for contribution to the Fund on their returns in full dollar amounts of \$1 or more. Each signatory on a joint return may make the contributions individually. The designations for any taxable year must be made on the initial return for the taxable year and, once made, are irrevocable.

Board Position:

S                       NA                       NP  
 SA                       O                       NAR  
 N                       OUA

Asst. Legislative Director

Date

Patrice Gau-Johnson

06/07/11

This bill would require the Franchise Tax Board (FTB) to revise the return to include a designation space for the Fund beginning with the first taxable year that another voluntary contribution fund is removed. This designation could be added to the 2011 tax return filed on or after January 1, 2012.

For the second taxable year the Fund is on the return, this bill would require the Fund to meet the \$250,000 minimum contribution test. The FTB is required to estimate by September 1 of each calendar year after the first taxable year the Fund appears on tax returns that contributions made under this bill will be less than \$250,000 (as indexed for inflation). The law authorizing designations for this Fund would be repealed if contributions made under this bill will be less than the minimum contribution amount.

This bill would allow the voluntary contribution designation to remain on the tax return for five years unless a later enacted statute deletes or extends that date.

Beginning with the third calendar year after the Fund appears on the return, the FTB would adjust the minimum contribution amount for the Fund by September 1 of that year. The minimum contribution amount would adjust according to the California Consumer Price Index (also known as the CCPI).

This bill would specify that if payments and credits reported on the return do not exceed the taxpayer's liability, then the taxpayer's return shall be treated as if no designation has been made. If no designee is specified, a designated contribution amount would be transferred to the General Fund.

This bill would require the Controller to transfer money designated for this Fund by taxpayers from the Personal Income Tax Fund to the Child Victims of Human Trafficking Fund. Upon appropriation by the Legislature, monies would be transferred from this fund to the State Controller's Office and the FTB for reimbursement of the costs associated with administering this Fund. The remaining monies would be allocated to the California Emergency Management Agency to administer the proceeds granted to community-based organizations that meet specified standards and agree to use the funds to provide services to minors, who are victims of human trafficking.

This bill would allow the taxpayer to take an itemized deduction on their federal and state tax returns for the year in which the voluntary contribution is made.

**SUPPORT/OPPOSITION**

Support: None provided.

Opposition: None provided.

**LEGISLATIVE STAFF CONTACT**

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